

Compliance Assessment Sampling Plan –Transshipment

CAT KIT Exhibit 17

Attribute, Test, Error(s) & Criteria	Sampling Parameters	Universe	Potential Sampling Frame(s)	Evaluation of Compliance Testing & Actions Needed
<p>Attribute: Did the importer circumvent existing trade laws for the purpose of avoiding restrictions on quota, duty and country of origin?</p> <p>Test (Primary Audit Steps): Determine whether the country of origin was misstated to avoid Customs restrictions (i.e., quota) or to gain trade preferences.</p> <p>Errors: Misstatement of country of origin to avoid Customs restrictions or gain trade preferences</p> <p>Criteria for Testing (Statistical Sample or 100% Review): • CAT determines that transshipment is a high risk trade area.</p>	<p>Approach: Attribute Discovery Sampling</p> <p>If any error is found, stop testing and discuss with CAT members.</p> <p>Critical Error Rate: 5%</p> <p>Government Risk: 1%</p> <p>Confidence Level: 99%</p>	<p>Merchandise imported into the United States during the importer's last completed fiscal year</p>	<p>Importer's Records: Payments: •to manufacturers (mfrs.) with closed quota tariff numbers and/or mfrs. That produce new tariff numbers after the closing date •to new mfrs. After tariff numbers closed •for freight billed to mfrs. for quota of closed tariff numbers •of freight bills to new mfrs. who suddenly started producing new quota tariff numbers after the closure date</p> <p>Sampling Frame: _____</p> <p>Validated Sample: • Yes • No</p> <p>Frame Size: _____</p> <p>Sample Size: _____</p>	<p>• No Indications of Transshipment:</p> <ul style="list-style-type: none"> – If internal controls were documented, compliance is at an acceptable level. – If internal controls were not documented, coordinate with the Account Manager to help company develop a CIP. <p>• Transshipment Lead Identified</p> <ul style="list-style-type: none"> – Discuss with CAT members the best course of action, (i.e. audit, investigation, etc.) – Discuss with STC special agent – Further action depends on individual circumstances